



staff report

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May 10, 1978

HONORABLE CITY COUNCIL
Palo Alto, California

UNIVERSITY OF CALIFORNIA

Contingency Response to Proposition 13 (Jarvis-Gann Initiative)

Members of the Council:

At its meeting of February 22, the City Council directed the staff to prepare an alternate budget, with reduced service levels and alternative sources of revenue, to accommodate the possible passage of the Jarvis-Gann Initiative (Proposition 13) on June 6.

This report transmits to Council staff's contingency plan recommendations if faced with the passage of the Jarvis-Gann Initiative.

Effect of Jarvis-Gann on General Fund Revenue

The preliminary 1978-79 budget now being reviewed by the Finance and Public Works Committee includes an estimated property tax return of \$4.7 million. Passage of Proposition 13 is expected to reduce that amount to \$1.2 million, a loss of \$3.5 million in General Fund revenue for 1978-79. Staff's contingency plan recommendation, therefore, will be based upon the potential deficit of \$3.5 million in our proposed operations for the fiscal year 1978-79.

Contingency Plan Recommendations: Phase One

Staff's recommended contingency plan includes two phases.

The first phase involves the use of a portion (\$1 million) of the General Fund Reserve, coupled with a deferral of non-emergency, locally-funded capital improvement projects (\$1.3 million) and City employee pay increases (\$1.2 million) to cover the revenue loss for 1978-79.

This course of action seems particularly appropriate for the following reasons:

- 1) There appears to be little doubt that the State will have to make some response if Jarvis-Gann passes. Whether that response will include any form of replacement revenues for Cities, Counties, Special Districts, and School Districts, may not be known for some time. However, as long as the possibility for State relief remains, there is merit to deferring difficult-to-reverse decisions relating to service level reductions as long as practicable.

2. Similarly, there is almost certain to be legal challenges to the intent of Jarvis-Gann and/or its implementation. If it is possible to forestall a massive restructuring of municipal government and the services it renders in Palo Alto until the outcome of those challenges is apparent, we should again refrain from making difficult-to-reverse decisions.
3. Finally, if the impact of Jarvis-Gann is to become a reality in Palo Alto, the Council and the community need time to set priorities for municipal services and to weigh alternative courses of action for achieving the massive expenditure reductions that would eventually have to be made. The phase one approach would provide the opportunity for the important decision making process to occur, with appropriate input and deliberation during the first six to nine months of the 1978-79 fiscal year. This would be the second phase of the staff's recommended contingency plan.

The consequences of the phase one approach may be drastic, but they are not so devastating as the impact of an immediate \$3.5 million operating budget reduction. The use of one million dollars, or one-half, of the predicted General Fund Reserve, would mean that the City would be operating during 1978-79 with the same level reserve (\$1 million) that existed during each of the last two fiscal years, including the current one.

A list of the newly-funded capital improvement projects, which would have to be deferred under phase one of the contingency plan, is provided in Exhibit A to this report. Likewise, a list of those projects funded during the current year and the amounts to be deferred from their respective appropriations, is provided in Exhibit B.

Deferral of City employee salary increases would be accomplished by enactment of the roll-back provision in the recently negotiated settlement with SEIU and by giving no salary increases to police, fire and management employees when their current agreements expire early in the fiscal year. The full impact of this action may not be known until later in the year, but, depending on actions by other cities, Palo Alto's competitive position with regard to wages for City employees may fall from five-to-ten percent behind. There would, however, be no employee layoffs until a specific plan for service level reductions had been considered and decided upon. Implementation of this portion of the plan would have to be preceded by meeting and conferring with applicable employee groups.

Alternative Course of Action: Phase Two

While staff's phase one contingency plan does not involve immediate service level reductions, we have compiled a list of what such service level reductions are likely to look like if the \$3.5 million deficit were to be made up in this way (see Exhibit D). Our list totals \$3,641,190; and the items are listed in order of increasing priority, with those items appearing nearest the end of the list having the most drastic impact on services to citizens of the community.

Although the prioritized list of potential operating budget reductions represents a well-considered, organization-wide compilation, far more time would be necessary to fully assess the impact of such changes and, perhaps even more important, to reshape the organization and plan for those services that would continue to be provided with the greatly diminished resources. Phase two of the staff's contingency plan would provide time for the deliberate development of the action plan necessary to accomplish these tasks, and would allow for appropriate community input and Council policy action.

Another element to be considered in the ultimate response to the passage of Proposition 13 is the availability of local replacement revenue. Exhibit C provides a list of alternative revenue sources that could be pursued should the Council prefer raising additional revenue at the local level to some of the expenditure reductions that otherwise would have to be made. Such an option might take on special significance if Proposition 13 is defeated in Palo Alto while passing on a state-wide basis.

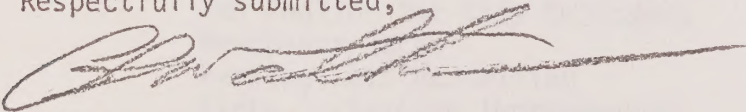
Summary and Recommendations

Staff believes that a two-phased approach should be adopted in dealing with the passage of Proposition 13 on June 6. Phase one involves deferral of non-emergency, locally-funded capital improvement projects and City employee pay increases plus the use of one-half of the projected General Fund Reserve to make up the expected revenue loss in 1978-79.

Phase two of the recommended contingency plan involves careful and thoughtful deliberation by staff, the community, and City Council during the months immediately following the June 6 election, such deliberation to involve the weighing and prioritizing of municipal services and alternative means of providing them, as well as the possibility of implementing alternative revenue-raising measures at the local level.

This contingency plan will be considered by the Finance and Public Works Committee as part of the budget wrap-up process during the middle and latter part of May. I am optimistic that those deliberations will be completed prior to the end of May and that Council action on the full budget package can occur on either June 12 or June 19.

Respectfully submitted,



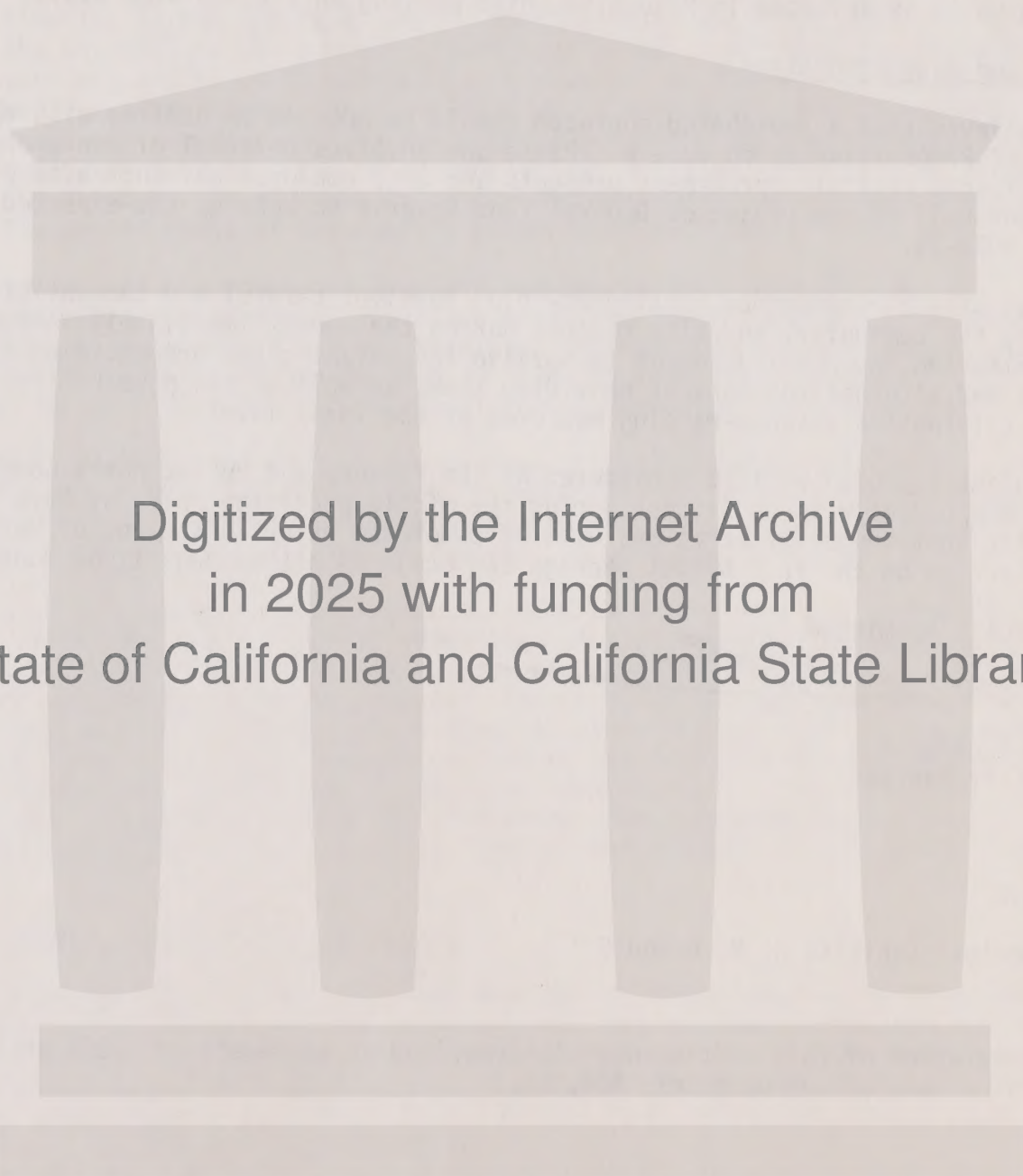
CHARLES E. WALKER
Acting City Manager

CEW/ms

CMR:273:8

Attachments: Exhibits A, B, C and D

(The preparation of this contingency plan required an aggregate of 1,205 staff hours at a cost of approximately \$14,254.)



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EXHIBIT A

List of New Capital Improvement Projects for 1978-79
Whose Funding would be Deferred under Proposed Jarvis-Gann Contingency Plan

<u>Project</u>	<u>Proposed Capital Improvement Fund Appropriation</u>
Art in Public Places	\$10,000
*Civic Center Lobby Improvements	15,000
Microwave to Foothills Area	42,000
Arts Facilities Repairs	10,000
Baylands Nature Walk	77,000
*Boronda Lake Improvement	56,000
Civic Center Energy Management	33,000
MSC Carpenter Dust Collector	15,000
Fire Station Driveway Repairs	4,500
MSC Garage Hoists	20,000
Golf Course Maintenance Building	51,000
MSC General Repairs	15,000
Parks Lighting Renovation	42,000
Parks Rest Room Partitions	10,000
Rinconada Park Improvements	39,000
Parks Buildings Roof Repairs	10,000
Utilities Radio System	35,000
Veterans' Building	40,000**
Bicycle Routes and Trails System	55,000
Van Pooling for City Employees	10,000
Newspaper Racks	15,000
Parking Lots Restriping	10,000
Parks Irrigation Improvements	50,000
Midtown Planning Study	20,000
Trails and Paths	50,000
Shuttle Bus for Activity Centers	5,000
Forest Firefighting Truck	60,000
Fire Station Solar Water Heating	2,500
Civic Center Solar Water Heating	<u>4,000</u>
Total	\$806,000

* Project deleted by Finance and Public Works Committee

** \$67,470 in potential federal funds would also be deferred or perhaps forfeited.

EXHIBIT B

List of Currently Funded Capital Improvement Projects Whose Appropriations would be Partially or Wholly Deferred under Jarvis-Gann Contingency Plan

<u>Project</u>	<u>Remaining Balance</u>	<u>Amount to be Deferred</u>
Eleanor Pardee Park	\$181,000	\$181,000
Greer Park	353,000	253,000
Communications Media Improvements	35,000	35,000
Community Theatre Improvements	11,000	11,000
Tennis Court Surfacing and Fencing	19,000	19,000
Shuttle Bus for Activity Centers	25,000	25,000
El Camino Real Parking Study	10,000	<u>10,000</u>
Total		\$534,000

EXHIBIT C

ALTERNATIVE REVENUE SOURCES

The passage of the Jarvis-Gann Initiative (Proposition 13) would severely limit alternative revenue sources available to the City of Palo Alto. Section 4 of the Initiative specifically states that for a city, county, or special district to impose "special taxes" (i.e., alternative revenue sources) approval by 2/3 of its "qualified electors" is required. The Initiative does not define "special taxes" or "qualified electors".

There are essentially two (2) new revenue sources available to the City of Palo Alto though not currently used. These revenue producers are commonly used by other municipalities and could generate revenue in amounts substantial enough to partially offset revenue lost from the passage of Proposition 13. One is a Utilities Users Tax and the other is a Business License Tax. It should be noted that if Proposition 13 is approved, both of these taxes would probably qualify as "special taxes". Therefore, each might require the approval of 2/3 of Palo Alto's "qualified electors" unless implemented prior to the June 6, 1978, election.

Utilities Users Tax

A utilities users tax is a tax levied on the consumption or the use of utilities. The utilities users tax could be applied to all or some of Palo Alto's utilities: water, gas, sewer, electric, refuse, and telephone. Each of these utilities will generate the following gross revenue for 1978-79:

<u>Utility</u>	<u>Customer Sales Revenue</u>
Water	\$ 3,379,700
Gas	6,361,850
Sewer	1,490,000
Electric	13,627,679
Refuse	2,008,300
Telephone (est.)	10,000,000
Total	\$ 36,867,529

If the Council were to establish a utilities users tax rate, it would be applied to revenue derived from customer sales. For example, if the utilities users tax was established at 1%, the resultant revenue if applied to all utilities would be \$368,675 annually. If the tax was established at 6% (the same as sales tax), the resultant revenue would be \$2,212,051.

Business License Tax

A business license tax is a municipal tax placed on businesses operating in a particular city. Palo Alto is rather unique in that it is one of a very few California cities that does not impose a general business license tax. The business license tax could be implemented using either a flat fee/employee count method or a gross receipts method. The gross receipts method would produce more revenue and more effectively keep pace with inflation as it would reflect both productivity increases and rising prices. A schedule of business license taxes comparable to other cities in California could be developed that would generate \$350,000 to \$400,000 in revenue.

Other Alternative Revenue Sources

Municipal Fees: Revenue producers that would probably not be considered "special taxes" are municipal service charges. However, if the fees listed in the Municipal Fee Schedule were doubled, tripled, or for some activities quadrupled, the resultant increase in revenue would be minimal. These fees and permits cannot be considered a significant alternative revenue source.

Water Utility: The 1978-79 Preliminary Budget recommends a water utility budget that will provide to the Water Utility an investment return of approximately 6.5%. This rate of return is consistent with the Council policy as voted two years ago. The Council can elect, if it wishes, to meet up to one-half of Palo Alto's water requirements with the municipal well system. Since the cost of water would be reduced approximately \$495,000, this \$495,000 would then be available for transfer to the General Fund. This action would in effect change the aforementioned Council policy and increase the rate of return from the current 6.5% to approximately 14%. In addition, the reliability of the well system is questionable and it would be subject to many breakdowns. The quality of the water provided Palo Alto residents would also drop, since the water available in the well system is four times harder than that obtained from the Hetch Hetchy Reservoir.

EXHIBIT D

POTENTIAL OPERATING BUDGET REDUCTIONS AND THEIR RESULTANT IMPACTS
(Listed in order of increasing priority)

<u>Amount of This Reduction</u> <u>Cumulative Reduction</u>	<u>Department or Division</u> <u>Item</u>	<u>Impact Statement</u>
\$ 58,000 <u>58,000</u>	<u>City Manager's Office</u> Eliminate Assistant City Manager and Secretary A positions.	This reduction will result in a substantial diminution of staff's ability to respond to and coordinate assignments, monitor on-going administrative functions, and remain current on organizational problems. The level of effort provided Council and Council committees would also suffer.
4,000 <u>62,000</u>	<u>Building & Equipment Maintenance</u> Omit window washing of City facilities.	Impact is obvious.
4,500 <u>66,500</u>	<u>Building & Equipment Maintenance</u> Omit termite inspections.	Liability of undetected infestation would increase, resulting in risk of longer-term, expensive damage to the affected structures (College Terrace Library, Childrens' Theatre, Community Theatre, Childrens' Library, and Lucie Stern Community Center).
2,200 <u>68,700</u>	<u>Social & Community Services Admin.</u> Cancel contracts with Neighbors Abroad and Palo Alto Historical Association.	City support would have to be replaced by volunteer support or services provided by these groups would have to be curtailed.
10,000 <u>78,700</u>	<u>Fire Department</u> Eliminate Clerk B position.	Opportunity for improved administrative and management control by the Battalion Chiefs' office would be lost.
15,000 <u>93,700</u>	<u>City Council</u> Eliminate provisions for manage- ment audit.	Opportunity to provide another in a series of independent reviews of City operating depart- ments would be lost.

<u>Amount of This Reduction</u> <u>Cumulative Reduction</u>	<u>Department or Division</u> <u>Item</u>	<u>Impact Statement</u>
\$ 6,000 99,700	<u>Parks & Open Space</u> Eliminate oak tree identification and protection program.	Elimination of this funding would result in probable continued loss of irreplaceable oak trees.
3,680 103,380	<u>Parks & Open Space</u> Eliminate tools and equipment for flood basin mitigation project.	Staff's ability to meet the requirements of the Corps of Engineers would be severely hampered.
6,000 109,380	<u>City Council</u> Reduce provisions for travel and attendance at meetings.	Council's ability to remain current on regional, state-wide, and national developments affecting Palo Alto would be limited.
8,000 117,380	<u>City Clerk's Office</u> Eliminate City memberships in all municipal organizations except League of California Cities.	Same as above.
9,000 126,380	<u>Communications Division</u> Eliminate all new radio equipment for Police Department and Utilities.	Affected departments would be forced to use existing equipment which, in some instances, is not dependable and expensive to keep operational.
5,000 131,380	<u>Reproduction & Mailing Division</u> Eliminate one copy machine.	Removal of this machine will mean that the organization will have to cut back on copying. Delays will result with only one machine in operation.
3,500 134,880	<u>City Clerk's Office</u> Cancellation of Council meeting radio broadcasts.	Ability of citizens unable to attend Council meetings to follow Council business on the radio will be eliminated.

Amount of This Reduction
Cumulative Reduction

Department or Division
Item

Impact Statement

\$ 13,495
148,375

Personnel Department
 Eliminate management physical
 examinations.

Ability to detect potentially dangerous or
 debilitating conditions sufficiently in advance
 to avoid extended absences and/or disability
 exposure would be all but eliminated.

1,850
150,225

Arts & Sciences
 Reduce film coordinator hours.

Course offerings in film instruction would be cut

5,000
155,225

Building & Equipment Maintenance
 Omit outside rental of equipment
 and vehicles.

City departments will have to do without replace-
 ments if regular units are down for repair.

4,000
159,225

Arts & Sciences
 Eliminate casual support for
 Administration, and General
 subprogram.

With the elimination of this position, the
 Performing Arts program will not have the
 opportunity to benefit from the same type of
 coordinated volunteer program that has been so
 successful in the Visual Arts area.

7,450
166,675

Building & Equipment Maintenance
 Eliminate all equipment
 maintenance casuals.

This reduction would eliminate pool car washing,
 shop clean-up, and vacation relief.

3,000
169,675

Building & Equipment Maintenance
 Omit replacement of shop
 welding unit.

Continuation of existing equipment increases
 liability of not having equipment available
 and of costly repairs.

3,000
172,675

Reproduction & Mailing Division
 Reduce number of copies.

Department mailers would have to be discontinued.

5,000
177,675

Building & Equipment Maintenance
 Omit refinishing garage floor with
 a urethane coating.

This project would have measurably improved
 garage lighting and eased maintenance require-
 ments.

<u>Amount of This Reduction</u> <u>Cumulative Reduction</u>	<u>Department or Division</u> <u>Item</u>	<u>Impact Statement</u>
\$ 4,200 181,875	<u>Public Works Engineering</u> Eliminate temporary inspector and overtime provisions.	This reduction will result in loss of quality control during periods of construction when regular inspector is unavailable or when amount of inspections exceed regular staffing capability/(about 20% of the time).
6,800 188,675	<u>Social & Community Services Admin.</u> Reduce direct costs for HRC and RHMTF.	Only RHMTF publicity and training costs are retained; provisions for HRC minutes and other direct expenses are eliminated.
15,625 204,300	<u>Reproduction & Mailing Division</u> Eliminate new press-operator.	Large printing jobs will be done in 10 - 15 days as opposed to 5; some binding work will be eliminated.
11,950 216,250	<u>Arts & Sciences</u> Reduce exhibits program.	This change would result in 6 fewer exhibits at the Cultural Center, including one main gallery show, the elimination of Civic Center lobby exhibits and an outdoor sculpture exhibition, and the reduction in nature and interpretive exhibits from 30 to 24.
3,650 219,900	<u>Arts & Sciences</u> Further reduction in staff for film programming.	This reduction would eliminate casual staff for film programming, film royalties, and supply money for special events.
6,000 225,900	<u>Arts & Sciences</u> Further reduction in exhibition program.	The number of exhibitions would be further reduced; remaining exhibitions would have to be scheduled for longer periods and might be of reduced quality.

<u>Amount of This Reduction</u> <u>Cumulative Reduction</u>	<u>Department or Division</u> <u>Item</u>	<u>Impact Statement</u>
\$ 30,000 255,900	<u>Public Works Administration</u> Eliminate provisions for contract services, temporary salaries, and 1/2 clerical position.	Ability to respond to special assignments or provide special studies will be eliminated. Ability to handle citizens at office counter and cover for absences will also be impacted.
46,240 302,140	<u>Social & Community Services Admin.</u> Reduce funding for the Senior Coordinating Council.	The reduction in SCC's administrative budget would substantially reduce its planning and coordinating functions.
6,600 308,740	<u>Recreation</u> Reduction of 1/2 clerical position.	Basic clerical services for overall operation of the department would be reduced 25%.
14,700 323,440	<u>Recreation</u> Reduce Physical and Sports programs and staff.	The following programs would be eliminated: tennis reservations; adult co-rec; and adult badminton; and City employees' golf tournament.
12,850 336,290	<u>Building & Equipment Maintenance</u> Eliminate equipment maintenance overtime.	Turn-around time for repairs would be severely hampered.
7,000 343,290	<u>Recreation</u> Further reduce administrative program staff for special events.	The Halloween program and May Fete Parade would be eliminated.
9,770 353,060	<u>Building & Equipment Maintenance</u> Eliminate the MSC guard.	This contract provides for security control, recording departure and arrival time of City vehicles, regulation and direction of traffic, visitors, and delivery vehicles.

<u>Amount of This Reduction</u> <u>Cumulative Reduction</u>	<u>Department or Division</u> <u>Item</u>	<u>Impact Statement</u>
\$ 51,090 404,150	<u>Police-Field Services Division</u> Eliminate special speed enforcement program and replacement of one radar unit.	Radar speed enforcement on concentrated basis will be eliminated; enforcement will become an element of routine patrol; efforts to reduce average speed on Arastradero, Charleston, Embarcadero, Middlefield, and University will be diminished; it is likely that traffic complaints will increase.
17,765 421,915	<u>Building & Equipment Maintenance</u> Eliminate all building maintenance casals.	During heavy vacation periods, Civic Center floors would be cleaned every other day and MSC clean-up would be eliminated. City Hall lunchroom would depend entirely on vending machines for operation.
17,765 439,680	<u>Building & Equipment Maintenance</u> Eliminate Building Maintenance Trainee position.	This reduction would reduce the chance of having skilled personnel available for filling two critical vacancies which will occur in the next few years due to retirements.
50,000 489,680	<u>All Departments</u> Eliminate provisions for tuition reimbursement and management benefit programs.	All training by accredited institutions of higher learning would effectively cease for City employees.
15,300 504,980	<u>Social & Community Services Admin.</u> Eliminate Activities Registration program and staff.	Centralized registration for City course offerings and activities and the monthly events calendar would be eliminated, causing citizens to have to use other means to become aware of departmental activities.
24,400 529,380	<u>Recreation</u> Reduce Enrichment and Social programs and staff.	Course offerings would be eliminated. Also, such activities as model railroad, high school workshop, senior adult clubs, and Mitchell Park game room hours would be cut.

Amount of This Reduction
Cumulative Reduction

Department or Division
Item

Impact Statement

\$ 6,600
 535,980

Recreation
 Further reduction in
 administrative staff for
 Facilities Reservations.

The centralized facilities reservation program would be eliminated and the public would have to separately contact each facility to reserve space. Building service coverage would be reduced.

9,700
 545,680

Recreation
 Reduce swimming program
 and staff.

The swimming pools at Jordan and Wilbur Middle Schools would no longer be open for recreational swimming.

10,000
 555,680

Recreation
 Further reduction in Physical
 and Sports programming.

The following activities would be eliminated: summer tennis teams; youth track and field; and pee wee sports.

8,500
 564,180

Recreation
 Further reduction in Physical
 and Sports programming.

Provisions for supplemental field maintenance and back-up supervision would be eliminated.

22,900
 587,080

Parks & Open Space
 Eliminate temporary salary
 provisions.

Service levels for trail and park maintenance and litter pick ups would be severely reduced.

106,000
 693,080

Fire Department
 Eliminate one salvage company
 (six positions).

Approximately 800 occupancies which are now receiving two fire prevention (Code) inspections per year will only receive one such inspection a year. Unless the Department dispatched an additional Engine Company to all fires, this reduction would reduce the number of people at a fire by two (from 15 to 13).

14,725
 707,805

City Clerk's Office
 Change from near verbatim
 minutes to action minutes.

Detailed information about what has taken place at Council meetings would be eliminated; only final outcome would be recorded.

<u>Amount of This Reduction</u> <u>Cumulative Reduction</u>	<u>Department or Division</u> <u>Item</u>	<u>Impact Statement</u>
\$ 49,500 <u>757,305</u>	<u>Arts & Sciences</u> Reduction in Performing Arts program and staff.	Course offerings will be eliminated from the Performing Arts subprogram. With this elimination of the Community Theatre Manager position, supervision of both the Community Theatre and Childrens' Theatre will be reduced substantially. Direct funding to Palo Alto Players and Theatre Works would be eliminated, and staff support for music, dance, and costuming will be reduced.
16,800 <u>774,105</u>	<u>Arts & Sciences</u> Reduction in facility operations.	This reduction would eliminate animals needing daily care from the zoo, and reduce the staffing available to some patrons at the Junior Museum and Community Cultural Center.
25,700 <u>799,805</u>	<u>Recreation</u> Reduce Parks and AfterSchool Recreation programs and staff.	The following parks would no longer be staffed: Peers; Rinconada; and Mitchell.
25,000 <u>824,805</u>	<u>Communications Division</u> Eliminate supervision of maintenance activities.	The communications maintenance functions would be shifted to some other division, with a resulting loss in technical and engineering expertise.
55,400 <u>880,205</u>	<u>Recreation</u> Further reductions in Parks and AfterSchool Recreation programs and staff.	The following programs would be eliminated: out of City playground supervision for PAUSD; elementary basketball; and handicapped programs. School year and summer playgrounds would be greatly reduced.
4,600 <u>884,805</u>	<u>Arts & Sciences</u> Reduce Instruction and Interpretive programs and staff.	Class offerings and Day Camp would be eliminated.

<u>Amount of This Reduction</u> <u>Cumulative Reduction</u>	<u>Department or Division</u> <u>Item</u>	<u>Impact Statement</u>
\$ 33,125 917,930	<u>Personnel Department</u> Reduction of staffing for Employment and Affirmative Action programs.	City's ability to do thorough recruitment for qualified applicants would be severely reduced.
6,200 924,130	<u>Arts & Sciences</u> Further reductions in Facility Operations program and staff.	Assistance to community groups at the Cultural Center and Junior Museum would be further curtailed. Evening operations would also be reduced.
17,325 941,455	<u>Personnel Department</u> Staff reduction in Classification and Pay section.	Only the most basic services will be covered, and then by the Loss Control Manager, requiring a commensurate diminution of service level in that important area.
17,785 959,240	<u>Budget & Resource Analysis Division</u> Reduction of 1/2 Management Assistant position.	Coordination of staff work for Policy and Procedures Committee would have to be assumed by another position or dropped altogether.
13,785 973,025	<u>Personnel Department</u> Staff reduction in Employee Development subprogram.	All centralized employee development activities, including performance appraisals and instruction programs, would cease.
18,780 991,805	<u>Social & Community Services Admin.</u> Reduce administrative staff.	Staff resources for IIRC and RHMTF would be eliminated.
20,925 1,012,730	<u>Personnel Department</u> Staff reduction in Claims and Benefit Administration.	Service levels would be impacted as follows: no retirement counselling; all questions and problems would be referred to carriers; and unemployment compensation could not be adequately monitored.

Amount of This Reduction
Cumulative Reduction

Department or Division
Item

Impact Statement

\$ 43,685
1,056,415

Police-Administration
Eliminate officer (analyst) and
clerk positions and support.

The Department's research and planning capabilities would be severely impacted by the elimination of the analyst position. This position is responsible for conducting projects that focus on improving productivity and effectiveness. Any reduction will adversely affect pro-active management. General staff duties performed in this position will have to be transferred to other staff, thereby creating a greater burden for sharing workloads. All tasks performed by the clerk will have to be distributed among other clerical personnel. One of the most critical responsibilities, documenting expenditures for P.O.S.T. requirements, will have to be assumed by other personnel. Incorrect handling of this area will mean a reduction in the \$30,000+ revenues received annually.

21,000
1,077,415

Planning Department
Reduce Housing Corporation
budget (except BMR program).

Emphasis on housing will decline, in spite of contents of Comprehensive Plan. Long-range studies would have to be eliminated. Minor housing analysis and studies would have to be transferred back to City staff.

10,475
1,087,890

Purchasing Division
Eliminate staffing for EE0/
Affirmative Action program for
contractors.

Staff would be unable to ensure that contractors are meeting all City requirements, Federal and/or State sanctions might be applied.

14,100
1,101,990

Parks & Open Space
Eliminate General Field Services.

This specific reduction would eliminate support services for City-wide weed abatement, assistance for special events such as May Fete and art fairs, and special landscaping requests for City facilities.

Amount of This Reduction
Cumulative Reduction

Department or Division
Item

Impact Statement

\$ 136,800
1,238,790

Fire Department
Eliminate one truck company-
plus one back-up position
(seven positions).

Average response time for the one remaining truck will increase. Overtime would increase as more people would have to be called back on a second alarm. Mutual Aid would be used more frequently. Palo Alto would receive assistance from and provide assistance to neighboring cities more frequently. Fire Prevention (Code) inspections would be reduced by an additional 10% over the reduction caused by eliminating a Salvage Company.

50,000
1,288,790

Library
Reduce Technical Services.

Public access to titles in the collection would be impacted severely. The number of titles catalogued will decrease, thereby prolonging a backlog of books otherwise not accessible to the public. The quality and size of the collection would visibly suffer from this reduction.

11,480
1,300,270

Social & Community Services Admin.
Reduce funding for Senior Adult
Services program.

Funding for the Senior Adult News and the community planning and facilitating services formerly provided by SAS will be eliminated. SCC may chose to provide these services through other funding sources.

20,485
1,320,755

Building & Equipment Maintenance
Eliminate one painter position.

Current six month backlog would be extended to at least one year.

20,485
1,341,240

Building & Equipment Maintenance
Eliminate one mechanic position.

This reduction would cut off the vehicle and equipment inspection program. The number of projected safety inspections would be reduced from 3,792 to 0.

Amount of This Reduction
Cumulative Reduction

Department or Division
Item

Impact Statement

\$ 50,800
 1,392,040

Public Works Engineering
 Reduction in engineering staff.

This cut will force a 20% reduction in the number of capital improvement projects that can be implemented. Land development plan reviews and building plan checks will be delayed about one week. All but the most essential special reports will be eliminated.

19,000
 1,411,040

Communications Division
 Eliminate one Technician position.

Preventive maintenance program will be eliminated. Equipment failures and out-of-service time for equipment will increase.

15,000
 1,426,040

Reproduction & Mailing Division
 Further reduce service levels.

This cut would eliminate newsletters and brochures, substantially reduce amount of first class mailings, and eliminate mailing of bid specifications.

12,000
 1,438,040

Planning Department
 Eliminate Housing Corporation funding.

Eliminate support of BMR program.

30,000
 1,468,040

Budget & Resource Analysis Division
 Eliminate Director's position.

Supervision of divisions within this department would have to be assumed by the head of another major operating department.

7,000
 1,475,040

City Clerk's Office
 Reduce one position to half-time.

Turn-around time for Committee minutes would be increased.

16,400
 1,491,440

Recreation
 Remove one maintenance position at golf course.

Frequency of mowing and other maintenance activities would increase above acceptable levels.

<u>Amount of This Reduction</u> <u>Cumulative Reduction</u>	<u>Department or Division</u> <u>Item</u>	<u>Impact Statement</u>
\$ 4,500 <u>1,495,940</u>	<u>City Clerk's Office</u> Elimination of contract support for Committee meetings.	Turn-around time for production of Committee minutes would be further increased.
31,000 <u>1,526,940</u>	<u>Social & Community Services Admin.</u> Further reduction of SCC funding.	Funds would be eliminated for all planning and coordinating activities. Funds for SAS, senior day care, and senior home repairs would be retained.
44,700 <u>1,571,640</u>	<u>Planning Department</u> Reduce project mobility.	This reduction would force a reassessment or change in participant entitlements (\$20 coupon books) or reduce program participation by 50%.
44,300 <u>1,615,940</u>	<u>Recreation</u> Eliminate staffing for Enrichment and Social programs.	This reduction would result in the closure of the Mitchell Park Recreation Center and the elimination of special community programs.
22,500 <u>1,638,440</u>	<u>Arts & Sciences</u> Further reduce staffing for Instruction and Interpretive programs.	Local environmental groups and volunteers would have to become responsible for programming nature walks and other interpretive activities, if these programs are to continue at all.
8,000 <u>1,646,440</u>	<u>Recreation</u> Further reduce Playground and AfterSchool Recreation programs and staff.	This cut would eliminate staffing for the school year playground program.
16,000 <u>1,662,440</u>	<u>Building & Equipment Maintenance</u> Eliminate outside contracts for building maintenance.	Miscellaneous repairs to equipment and facilities would not be done unless they represented an immediate and critical hazard for safety or health.

Amount of This Reduction
Cumulative Reduction

Department or Division
Item

Impact Statement

\$ 15,500
1,677,940

Arts & Sciences
Further reducing Performing
Arts budget.

Theatre facilities will not be open to the public except when there are specific programs or presentations. Contractors will have to provide their own building supervision. Direct funding for Performing Arts contractors will be eliminated.

40,000
1,717,940

Inspectional Services
Eliminate Code Compliance
subprogram.

Enforcement of property standards, signs, sidewalk encroachments, abandoned vehicles, use permits, and ARB requirements would be eliminated.

50,400
1,768,340

City Attorney's Office
20% budget reduction.

All outside legal services would be eliminated requiring members of the office to devote more time to litigation than at present. In addition, publication of Municipal Code updates would cease, and there would be no purchase of books or publications for the law library.

32,600
1,800,940

Building & Equipment Maintenance
Eliminate two Building Service
positions.

Frequency and quality of janitorial service at all City facilities would slip beyond acceptable levels.

15,000
1,815,940

City Manager's Office
Eliminate 1/2 of Organization
Research and Development program.

Ability of organization to respond to special problems would be lessened. On-going efforts at improving service orientation of employees and dealing with obstacles to good performance would be severely hampered.

<u>Amount of This Reduction</u> <u>Cumulative Reduction</u>	<u>Department or Division</u> <u>Item</u>	<u>Impact Statement</u>
\$ 69,960 1,885,900	<u>Library</u> Reduce funding for Readers' Services program.	College Terrace Library would have to close. Other service reductions would occur at remaining branches.
34,200 1,920,100	<u>Library</u> Further reduce funding for Readers' Services program.	The Childrens' Library would be closed and additional reductions in service levels and hours would occur at remaining branches.
110,000 2,030,100	<u>Social & Community Services Admin.</u> Reduce funding for Palo Alto Child Care Corporation.	The number of subsidized child care hours will be reduced by about half. Some PACCC centers will have to phase out.
45,000 2,075,100	<u>Planning Department</u> Further reduce project mobility.	This cut would result in the elimination of the program unless alternative funding sources are found and user portions of cost is substantially increased.
15,000 2,090,100	<u>City Manager's Office</u> Eliminate remaining 1/2 of Organization Research and Development Coordinator.	Organization's ability to improve on-going effectiveness by dealing effectively and constructively with day-to-day problems would be eliminated.
67,310 2,157,410	<u>Streets Division</u> Eliminate General Field Services.	The following activities would be stopped: capital projects; bike rack construction; bike path and bike bridge maintenance; and tennis court maintenance.
17,600 2,175,010	<u>Library</u> Further reduce Technical Services capability.	This cut would result in drastic changes in quality of service to Palo Alto library patrons in terms of availability of books, variety of titles, transfer of books, and the unique types of services now available, i.e., artwork, games, toys, records.

<u>Amount of This Reduction</u> <u>Cumulative Reduction</u>	<u>Department or Division</u> <u>Item</u>	<u>Impact Statement</u>
\$ 53,775 2,228,785	<u>Streets Division</u> Reduction in street cleaning.	The following activities would cease: litter control; parking lot sweeping; and business district sweeping.
12,360 2,241,145	<u>Parks & Open Space</u> Eliminate utility landscaping maintenance.	Landscaping around utility installations and facilities would cease after removal of shrubs, plants, and turf. Tan bark or some other suitable low maintenance groundcover would be substituted.
141,000 2,382,145	<u>Parks & Open Space</u> Eliminate parkway maintenance.	Maintenance of landscaped parkways would cease after removal of shrubs, plants, and turf. Tan bark or other suitable maintenance-free groundcover would be substituted.
20,000 2,402,145	<u>Parks & Open Space</u> Elimination of one supervisory position.	With previous reductions in parkway maintenance, this position would no longer be necessary.
90,000 2,492,145	<u>Animal Services</u> Stop providing animal control services and impoundment.	Animal control functions would have to be provided by the County at a greatly reduced staffing level. Spay and neuter clinic would continue in operation.
50,000 2,542,145	<u>Social & Community Services Admin.</u> Further reduction in PACCC funding.	The number of hours of subsidized child care will be reduced by approximately 67%.
92,000 2,634,145	<u>City Controller's Office</u> Eliminate three positions, reduction in outside services and equipment.	No special reports or information could be provided (direct payroll and billing only).

Amount of This Reduction
Cumulative Reduction

Department or Division
Item

Impact Statement

\$ 116,700
2,750,845

Fire Department

Reduce the remaining salvage and truck companies to one fire-fighter each (six positions eliminated).

Given previous cuts, the Department would have to dispatch one additional Engine Company to all structural alarms. This means an additional Engine Company will be out of its district more frequently. The net effect of this will be an increased "average" response time for all our Engine Companies. Overtime would increase as more personnel would have to be called back on a second alarm. Mutual Aid would have to be used more frequently by Palo Alto and our neighboring cities.

194,170
2,945,015

Police-Community Services Division

Eliminate the Police Community Services Section (five sworn and two non-sworn positions).

The following programs will be dropped: School Resource Officer, which will result in a serious loss of contact with students and staff of the PAUSD; crime prevention, which will eliminate any pro-active program to reduce crime; bicycle recovery and safety which will drastically reduce the level of service to the community; and community liaison. Many duties in these programs must still be handled, therefore, field officers will be overburdened.

14,000
2,959,015

Recreation

Further reduce golf course maintenance staffing.

Maintenance levels would fall far below acceptable standards.

20,000
2,979,015

Arts & Sciences

Eliminate facility manager position.

One individual would have to assume all responsibilities for both the Cultural Center and Junior Museum, and all visual arts and science programs. The zoo would be closed, the Baylands Nature Interpretive Center would have to be operated by a contract agency, and the Cultural Center would be closed in the evenings.

Amount of This Reduction
Cumulative Reduction

Department or Division
Item

Impact Statement

\$ 68,325
3,047,340

Police-Personnel & Training
Eliminate Personnel and Training
Section: one lieutenant; police
cadet program; some funding for
both department psychologist and
training.

Personnel responsibilities now handled by this section will have to be assumed by another staff person. Safety and loss control programs will be eliminated. Training not mandated by law, i.e., crisis intervention, defensive driving, will be eliminated. Division coordinators will have to assume responsibility for providing a minimum level of training, record-keeping, and updating of mandated and specialized training. Since the emphasis of the police cadet program is to attract potential affirmative action police applicants, the elimination of cadet positions will have a negative impact on AA efforts. Training of potential police officers will be eliminated. The tasks currently performed by cadets will have to be assumed by other personnel or not performed at all. The selection process will operate without psychological review.

15,800
3,063,140

Purchasing Division
Elimination of stores deliveries.

All supplies and equipment, including Council packets, would have to be picked up by addressee at facility of origin.

64,000
3,127,140

Planning Department
Elimination of 3 1/2 regular
staff positions.

The following services would be stopped: Planning Commission minutes; surveys; special studies. In addition, response time for development proposals, zone changes, and other applications would more than double.

3,900
3,131,040

Arts & Sciences
Further reduction of the
Instruction and Interpretive
programs and staff.

The Cultural Center workshop would be closed during several months of the year and rented out as studio space.

Amount of This Reduction
Cumulative Reduction

Department or Division
Item

Impact Statement

\$ 21,700
3,152,740

Recreation

Further reduce administrative staff by one management position.

Administrative support for departmental operations would be greatly reduced through deletion of the Superintendent's position.

76,500
3,229,240

Library

Further reduce funding and staff for Readers' Services program.

Downtown Library would be closed and the two libraries remaining open would be severely reduced in services and hours. Sunday service and programs such as Operation Homebound would be eliminated. Reference service would be reduced and patrons would no longer be able to return materials to a library location other than where they were obtained.

16,700
3,245,940

Library

Further reduce Technical Services.

Dramatic service changes would result from severe reductions in the number of books and magazines made available. Purchase of multiple copies would be halted, thereby increasing the length of time patrons wait for popular materials. Response to patron purchase requests for materials would be minimal, reference collection would be impaired substantially, and special services would be eliminated.

220,615
3,466,555

Police-Investigative Services/
 Support Services

Assimilate Support Services and Investigative Services Divisions: eliminate five sworn and four non-sworn positions.

The business office of the Department will be open only 10 hours/day, instead of 19, and will close on all holidays. Service level to the public will be severely impacted. Record-keeping functions will suffer a constant backlog. More responsibilities will have to be assumed by uniformed personnel which will reduce field time. Liaison with other departments will be non-existent. Follow-up investigations will be done only in cases with a known suspect or viable leads, with priorities given to existing

Amount of This Reduction
Cumulative Reduction

Department or Division
Item

Impact Statement

\$

caseload, severity of crime, safety of the community. Counseling of juveniles and parents will be reduced to an availability basis only. Patrol officers will refer juveniles to the County. The master social worker will be deleted, resulting in an elimination of professional counseling. Bomb investigation and monitoring of cardrooms, massage establishments, prostitution, narcotics, and spas for illegal activity will not be handled or will shift to field officers.

18,035
3,484,590

Police-Support Services Division
Eliminate permit investigator position.

The ability of the Department to handle licensing responsibilities mandated by the Municipal Code and State and Federal law will be eliminated. Repeal of applicable sections in the Code will be required. There will be limited screening, investigation, monitoring of licensing functions such as for cardrooms, adult-oriented establishments, taxi cabs, solicitors. Revenues, projected for 1978-79 at \$25,475 will be drastically reduced.

156,600
\$3,641,190

Police-Field Services Division
Eliminate one lieutenant, one sergeant, two agents, and one officer positions.

Reduction in managerial and supervisory categories will impact the level of influence that will be available to ensure that City/Department policies are reflected in day-to-day operations; in the area of productivity measurement, and in the development of personnel. Reduction in the number of agent and officer positions will affect operations. Although the exact impact on operations is difficult to determine, it will be substantial, especially since personnel reductions in other parts of the Department will create increased workloads for field personnel.

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